
Research Papers



“IMPACT OF GLOBALISATION ON SMALL SCALE INDUSTRIAL UNITS”

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Abstract

Globalization is a process of interaction and integration among the people, companies, and governments of different nations. Globalization is centered on the integration of international markets for goods, services, technology, finance and labour. This process has effects on the environment, on culture, on political systems, on economic development and prosperity, and on human physical well-being in societies around the world. The process of globalization has sent the world economically, politically, socially, and culturally alterations that can be defined primarily as a process of integration the economic, social and political activity controlled by nation states into a more internationally-disintegrated structure.

INTRODUCTION-

The small scale sector has occupied a prominent place in the socio-economic development of the country since independence. It has contributed to the overall growth of the Gross Domestic Products [GDP] as well as in the terms of employment generation. The small scale industries have an essential component of the development strategy in most of the developing countries, especially in India where most of the population are below poverty line. The small scale industry provides a more than fifty percentage of industrial production in country and more than eighty percentage of the employment. It accounts for about thirty five percentage of India's export earnings. The small scale industry produced wide and different range of products. It produced mass consumption goods. At present nearly 150lakh SSI units in the country.

The study is helping the entrepreneur to set up enterprises and create sustainable industries and

increase socio-economic conditions. The significance is to improving the productivity, skills, training and marketing to create awareness among the future generation about the vast untapped opportunities available in the country.

OBJECTIVES OF THE STUDY-

The objective of the studies is as follows:

- To study the growth and development of SSI units in Chakan area.
- To study the impact of globalization on SSI units.
- To study the cause and remedies of sick SSI units.
- To study financial, marketing and infrastructural problems in SSI units.
- To study growth and development of SSI units.

RESEARCH METHODOLOGY-

The study is based on a sample size of 50 small sized industrial units with an investment of

minimum of Rs 10 lakhs. The units were selected at random. The units were located in Chakan M.I.D.C. area nearby Pune. A purposive sampling was done to select the respondents through the respective states financial corporations. The Organizations selected for the study were either proprietorship or partnership firms. Ten different kinds of industries were selected for the study viz., Electronics, Fabrication, Ceramics, Servicing, Packaging Material, Printing. There was no similarity in size, volume of business and life period of the enterprises selected for the study. However, all the enterprises selected for the study had a minimum life of ten years and were running units' i.e. in to commercial productions.

FINDINGS-

The major findings of the study are summarized as below

- Nearly 84% respondents have agreed to availability of low cost of labour, availability of raw material, labour, marketing and transport facilities.
- Due to globalization about 68% of the respondent units agree that there is a cut-throat competition among the SSI units.
- The 18% of the SSI units are operating to its fullest capacity, 29% are utilizing its 75% capacity and remaining units are utilizing only 60% capacity.
- About 48% of SSI units provide training facilities to their employee.
- Only 34% units are registered with MCCA.
- The 20% of the SSI units are satisfied with the productivity.
- Only 38% units providing the welfare facilities.
- Almost 90% of units give promotion to employee on the basis of seniority.
- All the units are implementation the computerize system for accounting.
- Nearly, 72% units face difficulty in opting credit facilities from financial institutions.
- The 60% units are dependent on large scale units.
- Only 3% units cover international market.
- Nearly, 35% sales have decreased due to globalization.
- About 66 % units agreed that globalization is not favorable for us.

SUGGESTIONS-

- The financial institutions need to be proactive for providing hassle free credit.
- The State as well as Central Government should provide necessary facilities to face cut throat competition.
- To provide continuous power supply to units for smooth flow of production.
- To provide proper training inputs from professional institute.
- To prevention of industrial sickness and revival of viable sick units.
- To provide infrastructure facilities to units.
- There is a need to promote professionalism in units.
- It is need to adopt total quality management in units.
- The SSI units should adopt ISO standards.
- The foreign direct investments should be allowed.
- The industrial policy should in favour of SSI unit.
- The political intervention in the process needs to be unveiled completely.
- The focus should be on providing backward and forward linkages.
- The strengthening the SSI units through promotion of quality competitiveness and research and development.
- The streamlining procedures, bottlenecking and creation of hassle free industry friendly environment.
- The commercial exploitation of local resources and economic potential.
- The innovation and learning mechanism and important breakthroughs can take place in the SSI sector for its survival and growth.
- The SSI units to look upon the employees as an assets and take cognition of the need to improve their skill.

CONCLUSION-

Small scale industries in India are facing great threats and competition due to liberalized policies. The robust and vibrant small scale industries sector (now MSE) can derive the benefits of the new opportunities provided by the supporting policies which aim not only to protect but also to promote this segment. The step towards dereservation by the government is definitely a positive step as it has not proved to benefit much. The inclusion of service sector is indeed a good initiative to have new schemes to promote this sector.

Entrepreneurship is the pursuit of a discontinuous

opportunity involving the creation of an organization (or sub-organization) with the expectation of value creation to the participants. Most of common reason put forward by respondents is that their contemporary entrepreneurs have moved out of business due to failures. It was also observed that many of the successful SSI units have inherited their business skills from family and learning by working in other's enterprises. It can be observed that entrepreneurs with a parental background in manufacturing and trading are relatively more successful in comparison to services & farming backgrounds. Various points have been mentioned regarding policy for the entrepreneurial development in India, such as, Let there be a recognition that all large sized corporate entities, irrespective of the fact of today's classification as 'private sector' and 'public sector' be declared as constituents of sector of national importance. There should be intensive monitoring of these companies with a view to bring in professional managements. An industry-wise review should be done with regard to size, technology, location and the desired production basket. The plan could examine mergers, or break-ups, as per technology requirements and weed out high cost, un-economic and low technology units. The nationally important sector companies should be given clearly defined specific objectives on which the performance of the managements would be reviewed periodically. In view of the national requirements of earning adequate foreign exchange there should be an export plan for each sector.

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